



## The Pensioner: *Looking Forward*

Welcome to the digital MPERS newsletter! *The Pensioner: Looking Forward* contains news, updates, and important information for active employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

### IRS Requirements Regarding Reemployment



As employees approach retirement, discussion of reemployment after retirement with the employer is common. Reemployment may come in the form of a temporary position such as a "1000-hour position" under the Patrol or MoDOT or full-time employment under a state agency covered by the Missouri State Employees' Retirement System (MOSERS) such as the Missouri Gaming Commission or Missouri Department of Corrections.

While the Closed Plan, Year 2000 Plan, and the 2011 Tier each have specific requirements regarding reemployment, the Internal Revenue Service (IRS) also has requirements regarding reemployment that we must follow.

The two IRS requirements regarding reemployment after retirement are:

1. There must be a 30-day separation between retirement and reemployment to be considered retired **and**
2. Prior to retirement, there cannot be a predetermined arrangement to return to work.

On May 1, MPERS will add a required attestation to the *Step 1: Notice of Retirement* form. This attestation simply states "I do not have a prearrangement with any employer covered under MPERS or MOSERS to return to work after I retire."

To learn more about this topic, please visit the [Reemployment after Retirement](#) page on the MPERS' website.

### New Trustees Appointed

MPERS recently welcomed Commissioner W. Dustin Boatwright and Representative Barry Hovis to the Board of Trustees. To learn more about the current Board of Trustees, please visit the [Board Members page](#) on [www.mpers.org](http://www.mpers.org).



Commissioner W. Dustin Boatwright was appointed to the Board on March 3, 2021, by the Missouri Highways and Transportation Commission. He replaced Commissioner John Briscoe who served on the Board since 2016.

[Click to learn more about Commissioner Boatwright.](#)

Representative Barry Hovis was appointed to the Board on March 23, 2021, by the House Speaker Rob Vescovo. He replaced Representative Sara Walsh who resigned from the Board on January 25, 2021.

[Click to learn more about Representative Hovis.](#)

# MPERS' Matters

## Contributions

In the March edition of *The Pensioner: Looking Forward*, the oversight formula was introduced:

$$C + I = B + E$$

During April and May we will be focusing on the “C” component of the formula: Contributions.

Contributions come from covered employers (MoDOT and the Patrol) as well as active employees in the 2011 Tier. Employee contributions are a flat percentage of pay and based on the law (Missouri statutes). Currently, the employee contribution rate is 4%.

**C = Contributions**  
**I = Investments**  
**B = Benefits**  
**E = Expenses**

Employer contributions are based on a funding policy established by the Board of Trustees and relies heavily on the recommendations of an actuary. The actuary makes a number of educated guesses about the details of covered members such as salary, length of career, length of life, and so on. The actuary uses these details to arrive at a value of the promised benefits.

The current employer contribution rate is 58% of pay. These contributions covered roughly half of the cost of the plan benefits over the past 20 to 30 years.

There are two key components to the employer contribution rate: 1) the normal cost and 2) the unfunded liability.

The normal cost is also known as the true cost of the plan. For the period beginning July 2021, the contribution rate for the normal cost is 11.47% of payroll, which is far less than the total contribution rate of 58%. This portion of the rate has remained reasonably constant over the years; however, this rate is projected to steadily decrease over the longer term due to the addition of the 2011 Tier and employee contributions. The eventual result of this steady decrease will be an employer normal cost of roughly 6.15%.

The unfunded liability portion of the contribution rate is 46.53% of payroll. This is often called the “catch-up payment.” This portion of the contribution rate is high due to the Board’s aggressive funding policies, which the current and auditing actuary recently complimented. These aggressive policies are necessary to make up for the shortfalls of the past that include a number of oversights and market drawdowns.

The good news is that these policies are working as reflected in the improved funded status of the plan. These policies are helping MPERS reach the ultimate funding goal of 100%, but it will require continued time and patience to achieve that goal.

[Want more information about MPERS' funding? Click here!](#)

**Stay tuned for part two of the contributions component in the May edition of *The Pensioner: Looking Forward*!**

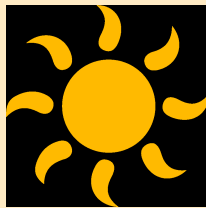


The COVID-19 pandemic has undeniably changed the modern workplace, and MPERS is no exception. Businesses that were used to a traditional office environment were forced to “think outside the box” and accommodate remote work opportunities for their employees. While the modern workforce may look a little different than it did 18 months ago, productivity has not decreased, especially with regards to your MPERS staff.

For the past few years, MPERS has been considering relocating to an office that better suits our needs. With the recent experience working remotely, we are in a

unique position to reevaluate how we work. As a result, we are testing the market to see if there is any interest in our facility. If there is, MPERS will seek more efficient space with plans to adapt to a “new normal,” which may change how we use our physical space. Should our physical location change, updating our members and stakeholders of the change will be priority.

If you have questions about this information, please contact us at [mpers@mpers.org](mailto:mpers@mpers.org)



## Missouri's Sunshine Law

Did you know that the public can request information from the state of Missouri and its agencies, including public, and quasi-public governmental agencies like MPERS?

As a quasi-governmental agency, MPERS is subject to Missouri state statute. One such statute includes the Missouri Sunshine Law.

The Missouri Sunshine Law, outlined in [Chapter 610 of the Revised Statutes of Missouri](#), allows for members of the public to request information from MPERS and other public and quasi-public governmental agencies. Certain retiree information is considered an open or public record under Missouri's Sunshine Law. [Section 610.021\(13\)](#) states, in part, that personally, identifiable information is a closed record with the exception of names, positions, salaries, and lengths of service (paraphrased).

Several weeks ago, MPERS received a sunshine request for certain retiree data from [American Transparency](#), a government watchdog organization. In response to this sunshine request, MPERS provided a list of all retiree names, last position held prior to retirement, gross monthly benefit amounts, and the amount of service credit accrued at the time of retirement as per Sunshine Law requirements.

[Learn more about Missouri's Sunshine Law](#)



## Check Out This Month's Benefit Bite!

### Service Purchases and Transfers

If you have previous public sector service, military service, or non-benefit eligible state service, you may be able to purchase or transfer the service to MPERS.

Service purchases and/or transfers may increase your future benefit and may even help you reach retirement eligibility earlier. Service purchases can be quite expensive, so the sooner MPERS can determine if your previous service is eligible to purchase and how much the purchase will cost, the better.

Check out the short video below for more detailed information regarding service purchases and transfers.

*Note: 2011 Tier members are not eligible to purchase prior military service or non-benefit eligible state service.*



## Annual Benefit Statement Reminder



Active employee Annual Benefit Statements are now available in your [myMPERS](#) correspondence.

Reviewing your Annual Benefit Statement is a great way to keep tabs on your medical, dental, and vision benefit deductions, future retirement benefit, and life insurance deductions and coverage amounts.



## Upcoming Events

- 15 - Pre-Retirement Webinar for Closed Plan and Year 2000 Plan Members. [Register here.](#)
- 28 - Pre-Retirement Webinar for 2011 Tier Members. [Register here.](#)
- 30 - Board Meeting (tentative)
- 30 - Deadline to Submit Step 1-*Notice of Retirement* for June 1 Retirement



We value your feedback!

What would you like to see in ***The Pensioner: Looking Forward?***

Send comments and suggestions to [Julie.West@mpers.org](mailto:Julie.West@mpers.org).